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Statistical
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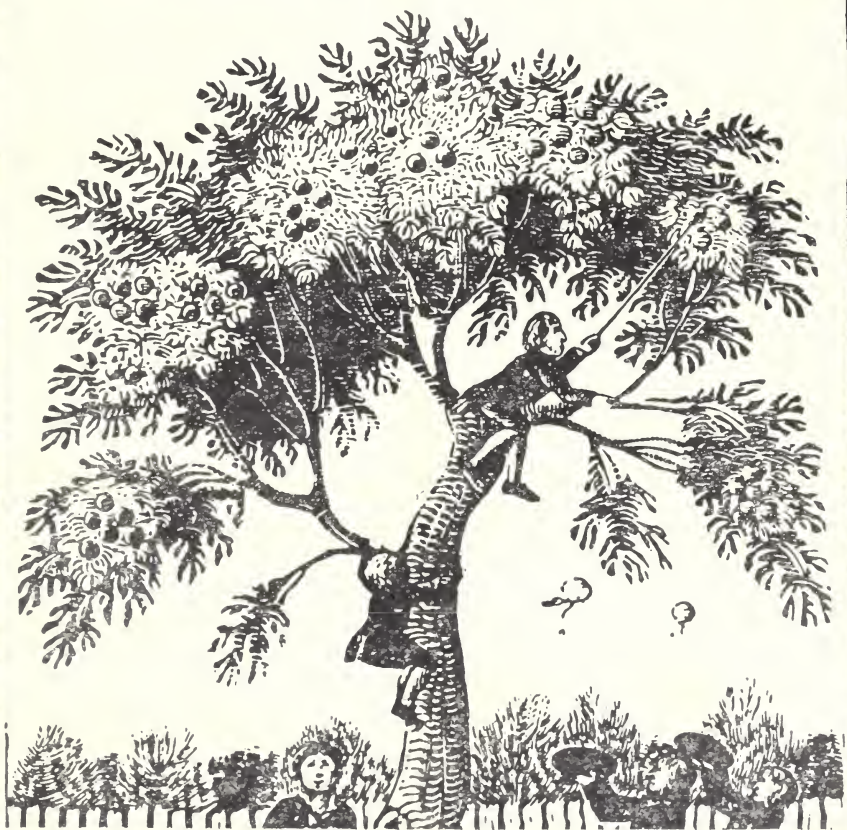
SERIAL RECORDS

Agricultural Situation

U.S. Department
of Agriculture

Vol. 52, No. 8

Sizing Up the Fruit Crop



LOOK FOR LARGER FRUIT CROPS THIS SEASON AND MAYBE MORE CITRUS, TOO

Last year, weather and fruit growers seemed to be at odds. Bad weather on the edges of the country knocked out fruit crops in Florida, Texas, California, and the Northwest.

Noncitrus fruit production fell 15 percent; citrus output tumbled 30 percent.

This year, the elements and growers are getting along better, and a more abundant pick and pack appear likely. In Washington and Oregon, however, effects of last spring's heavy freeze damage still linger.

While most fruit growers are confidently getting set for a good harvest, those who grow citrus fruit are keeping their fingers crossed as the crop progresses.

Citrus groves got through the critical blooming and setting stages in good shape. Although an early drought had Florida growers worried, heavy rains came in May and tropical visitor Abby added some more moisture.

Texans also had ample moisture; there was plenty of water for irrigation. In Arizona and California, growers were encouraged by the good early-season weather.

Noncitrus growers have much firmer indications of how their crops are likely to turn out this season. The July Crop Report carried these estimates for the principal noncitrus fruit crops. Of course, the August report made a few further datings, but this essentially is the situation:

APPLES—5.3 BILLION POUNDS

Apple munchers can expect a total crop 2 percent below last year's, according to this preliminary forecast.

Although the Central States are looking for an 8-percent larger output, smaller crops are expected in the Northeastern and Western States, because of spring freeze damage in both areas.

GRAPES—3.7 MILLION TONS

On July 1, grape output was forecast 21 percent above the 1967 level, but still below the average. Main reason for

the upturn is in California, where production of raisin type grapes will be up sharply.

Elsewhere, a dawdling bloom in New York and Pennsylvania will probably keep output below last year's good crop, and freezes sharply reduced the prospective Michigan production.

PEACHES—1.85 MILLION TONS

In 9 Southern States, the estimated 440,000-ton crop is 67 percent larger than last year's meager output. And in California, there is a substantial improvement predicted for freestones (up 14 percent) and a fine one for the clingstone canning crop (up 34 percent).

Late peach areas of the Northwest and Midwest were plagued by early freezes, but in Pennsylvania the harvest will be much larger than last season.

All in all, peach growers are looking for a total U.S. crop 38 percent better than in 1967 and 6 percent above average.

PEARS—OVER 600,000 TONS

Pear production is estimated at 625,150 tons. This is 35 percent larger than last year and about 1 percent less than average.

"Bartlett" and "California" are the key words in this situation. Bartletts likely will be two-thirds more plentiful, and California's crop over three times as large. But other varieties and other States are below 1967 levels in pear production.

PLUMS UP AND PRUNES DOWN

It will be an above-average year for California plum growers. The crop, estimated at 110,000 tons, is 12 percent larger than last year.

A lighter set this year is holding California's prune production (dry basis) to 160,000 tons, a little under last season.

APRICOTS—DOWN AGAIN

Production of apricots in California this season is estimated a little larger

than in 1967. Utah, smallest producer of the three apricot States, has a large crop, but Washington's is only one-third of normal.

Prospects are for a crop of 149,300 tons, about 26 percent below average, but a little above last year.

NEW NECTARINES NICE

A crop of 70,000 tons in California means that there will be one-fourth more nectarines than last year, and an above-average supply.

SWEET CHERRIES SUFFER

The effect of freezes in Michigan and Oregon was not fully offset by better crops in California and Northeastern States. So sweet cherry production suffered this year, falling from last year's above-average status to a 20 percent below-average 81,030 tons. (Tart cherry output is featured on page 4 of this issue.)

STRAWBERRIES—479 MILLION POUNDS

California, the largest producer of strawberries, is harvesting an estimated 14 percent more this season than last. But California is only half the story.

The other half of the crop will come from a number of States, most with reduced output this year. Louisiana's volume has been smaller, reducing Southern States' output about 6 percent below 1967; strawberries from Northern States are down 10 percent.

Although the total crop will be a little larger than last season, it remains about 5 percent below average.

FRUIT TREE SURVEY UNDERWAY

The trail of Johnny Appleseed is being pursued by the Statistical Reporting Service to help fruit growers do better. Surveys of orchard and vineyard owners are scheduled, in progress, or recently completed in most States where fruit is commercially grown.

Facts like the number of Delicious apple trees in Delaware or the ages of Sun-High peach trees in Pennsylvania

will aid growers in some of their most critical decisions, such as whether and how to expand their orchards.

Fruit trees in New England, New York and selected Appalachian States—Pennsylvania, Delaware, New Jersey, Maryland, Virginia and West Virginia—have already been surveyed. A summary for these regions was recently published by SRS. But it will be several years before the rotating survey is completed nationally.

The North Central States from Minnesota south to Tennessee are being surveyed this year. The survey is scheduled to continue in 1969 in Southern States stretching from the Atlantic to Arizona, and wind up in 1970 with remaining States in the Midwest and West.

After completion, this cycle can be renewed to update the counts. The survey includes all commercial orchards with at least 100 trees of one fruit variety.

In 1967, there were over 14 million fruit trees or vines in commercial orchards in the Appalachian States:

Type	Thousands
Apple -----	5, 135
Peach -----	2, 483
Tart cherries -----	275
Sweet cherries -----	33
Grapes -----	5, 653
Pears -----	105

The Crop Reporting Board, State Departments of Agriculture, and the State-USDA matching funds program of the Consumer and Marketing Service are sponsoring the work.

To obtain a copy of the 1967 Regional Summary, SRS-13, write to the Statistical Reporting Service, USDA, Washington, D.C. 20250.

Statistical Reporting Service



Suburban Safeguard

A conservation district has gone to town. And why not?

Planning the wise use of land, doing soil surveys, and solving soil and water problems—these services of the conservation district are in greatest demand when land is in the development stage.

That is essentially why Yonkers and White Plains, N.Y., next to New York City, were incorporated into a new conservation district.

These cities are part of suburban Westchester County, where the population is estimated to double by 1985—to 1,245,000.

The district's board of directors has already defined its goal as a long-range program for preserving and restoring the County's environment. The Soil Conservation Service and other USDA agencies, cooperating with the district, will be particularly watchful to avert the costly suburban ills of flood damage and sedimentation.

Including Westchester County Soil and Water District, New York now has 56 districts covering almost 99 percent of the State.

Soil Conservation Service

Aloha Snack

The latest word in nuts comes from Hawaii. It's Macadamia.

Macadamias have risen from postwar obscurity to become Hawaii's third leading crop, after sugar and pineapple. Last year the crop was valued at \$1.9 million, up from a minuscule \$96,000 in 1946.

The first time the crop volume hit over a million pounds was in 1956, the year Macadamias were first marketed in New York City.

In the past decade their Mainland sales have soared, and marketings are now worldwide. Today, more than 100,000 trees in Hawaii shed for export nearly 9 million pounds a year, mostly for the mainland.

Although tasty, crunchy, and easy to eat, the Macadamia is hard to crack. Macadamia nuts, native to Australia, were brought to Hawaii in the late 1800's, and named for John Macadam of Australia. Because of their obdurate

shells, they are processed and packed for sale in kernel form only.

Prior to processing, the nut meat nestles inside a mahogany brown flint-hard shell, covered with a thick green husk.

Macadamias are harvested from the ground, where they fall when mature. After husks are removed, the nuts-in-shell go into large curing vats that slowly reduce some of the moisture. Next, nuts are shelled by forcing them between mechanized, fast-moving cracking rollers. Then the kernels are graded, sorted for size, and quality inspected.

The kernels are then deep-roasted in coconut oil.

After one more inspection, the nuts are hand-mixed with finely powdered salt and vacuum-sealed in glass or tin for market.

Chipper Cherries

Tart cherry production is slated to improve quite a bit this season, but not enough to match the recent average.

The Crop Reporting Board forecasts output in 5 Great Lakes States and 6 Western States at 112,000 tons. Last year's crop was a meager 89,000, but the average for 1962-66 was 159,000 tons, including the record crop of 273,370 tons in 1964.

Poor pollination weather and early spring freezes are responsible for subpar yields in prospect this year.

May freezes destroyed most of the crop in southern Michigan, while crops elsewhere in this major producing State varied from spotty to good. Output is forecast at 75,000 tons, 70 percent better than 1967, but well below the 104,000-ton average.

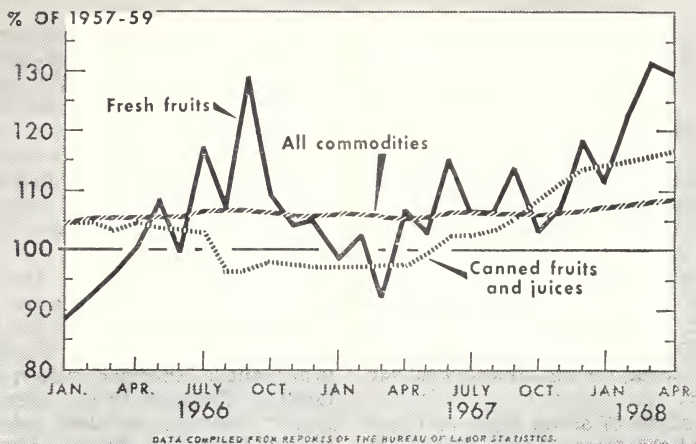
Crops in New York, Pennsylvania, Ohio, and Wisconsin likely will be 25-40 percent below average, even though they are well above last year except in New York.

In six States of the Northwest, the tart cherry crop is indicated at 6,900 tons, 40 percent below 1967, and about the same amount below average.

Last year, about 3,000 tons of the tart cherry crop were used for fresh sales, 30,000 tons were canned, and 52,000 tons were frozen.

Statistical Reporting Service

WHOLESALE PRICES: SELECTED ITEMS



FRESH FRUIT PRICES SWING WITH THE SEASONS. Rapidly changing, with frequent ups and downs: That's been the fate of fresh fruit prices during the past several years. They were headed briskly upward in the summer of 1966, when an ample deciduous and then a record citrus crop brought prices below average levels. After mid-1967, prices made a bumpy but strong recovery, due to last season's smaller crops. A good harvest this season could change things again.

SIMPLE FORMULAS REVEAL FED CATTLE PROSPECTS

In the cattle business, timing is essential.

Finishing a bunch of feeder steers when the market is glutted can about finish a feedlot operator's profit.

To help him plan ahead and avoid such situations, the Statistical Reporting Service publishes January 1 cattle inventory estimates, monthly and quarterly cattle-on-feed reports, and feeders' marketing intentions.

SRS statistics become especially useful when they can be used to forecast future conditions. With that in mind, the Economic Research Service designed a set of simple formulas that use SRS data.

The first provides an estimate of the number of cattle to be started on feed nationally during the quarter in which it is used. The ingredients include the January 1 beef cow inventory for the previous year (these animals produce this year's feeders), the beef-corn ratio,

and specific conversion factors.

There is also a formula for estimating the total U.S. number of fed cattle to be sold during the quarter. It uses placements in several prior quarters and the beef-corn ratio.

To complement the actual number of cattle marketed, a third formula approximates national average weights. Weight affects both the total amount of meat being marketed and the weight class which is likely to bear the brunt of marketings. This formula uses recent weight averages, and again, the beef-corn ratio.

Marketing Research Report No. 819, "Marketing Aids for the Cattle Feeder," spells out these formulas to the decimal, and advises on their limitations. For a copy, write Information Division, Office of Management Services, U.S. Department of Agriculture, Washington, D.C. 20250. Include your Zip Code.



"SOD BUSTER" STATUS SLOUGHED

"Sod buster!" is one of the politer things the cattleman called the wheat farmer in the old days of the range wars.

Today the U.S. wheat farmer is no candidate for anybody's derision, polite or otherwise. He stands at the top of the heap. He's one of the elite among the world's agriculturists.

He is a solid, successful farmer-businessman. His average net income, according to a study of representative farms for 1967, ranges between \$7,000 and \$24,000 a year depending on the size of his farm, his region and weather conditions.

The analysis of seven types of commercial wheat farms helps show how these farmers manage to maintain their position.

In 1967, the price of wheat continued its decline from 1957-59 averages while prices of most other farm products rose. Wheat program payments were generally higher and feed grain payments lower than in 1966.

As a result, net farm income of only four of the seven types of wheat farms averaged greater than in 1966. But all had better incomes than in the 1957-59 base period.

Pacific Northwest

The wheat-fallow farm. The median farm of this type in the Washington and Oregon Big Bend of the Columbia River area is about 1,600 acres.

When Government programs and other inducements or restrictions do not foster increased small grain output, nearly all cropland is devoted to wheat. And most is rotated, alternating grain and summer fallow every two years.

Wheat accounted for about 88 percent of the acreage harvested in 1967, barley 8 percent, and hay 4 percent. In 1957-59 wheat represented only 65 percent of the harvested acres; other small grains, 32 percent; and hay, 3 percent.

There were 38 head of cattle on the typical wheat-fallow farm at the end of 1967, up from 32 in 1957-59. And livestock income went up slightly from 1966

with beef cattle producing 7 percent of the gross income while other livestock products brought in 3 percent.

Farm expenses increased 7 percent in 1967, and were 35 percent over 1957-59. But greater production offset both higher costs and lower prices to net these farmers \$23,388, 6 percent more income than in 1966, about 48 percent over 1957-59.

The wheat-pea farm. The median Washington-Idaho wheat-pea farm is about 640 acres. Farmers rotate wheat and other small grain with dry-edible peas, lentils, summer fallow, or green manure. Stepped-up fertilizer use and higher yielding varieties helped raise wheat yields on these farms to 60 bushels an acre in 1967, up 13 bushels from 1957-59.

The pea yield came to 1,600 pounds an acre in 1967, contributing to an all-crop yield index 24 percent higher than in 1957-59.

From 1966 to 1967, land in wheat increased 21 percent to a level 25 percent above 1957-59, mostly at the expense of barley and oats. At the same time the acres in hay went up slightly and the pea acreage declined, though it stayed above 1957-59.

Total production in 1967 was 12 percent above the previous year and 48 percent above 1957-59, more than enough to beat an increase of 7 percent in operating expenses. Result: Average net income, \$24,223, was up 4 percent over 1966, and was 80 percent over 1957-59.

Northern Plains

The wheat-fallow farm. Unlike farms in the Pacific Northwest, crop yields on a median-sized wheat-fallow farm of 919 acres in the Northern Plains are extremely variable.

In 1967 the crop yield index in this area was down about 32 percent from the year before. And net farm production was down 20 percent.

Beef cattle (typically about 35 head per farm) accounted for 17 percent of the gross income while other livestock and livestock products brought in another 4 percent.

BY SUCCESSFUL WHEAT FARMERS



Production costs averaged about 5 percent higher.

This cost-price squeeze dropped 1967 net farm incomes 31 percent from 1966, to \$8,136, still above the 1957-59 average.

The wheat-small grain-livestock farm. With a median size of about 800 acres, these farms rotate their crops between wheat, other small grains, and flax. Barley is the second most important crop. Livestock grazing is a sideline.

Crop yields in 1967 were 4 percent under 1966 but 23 percent above 1957-59. Harvested acreage was up 13 percent.

Most of these farmers in 1967 reduced summer fallow, flax and corn to harvest more wheat. And production was about 10 percent greater.

Despite lower prices wheat income was about 22 percent greater even before wheat program payments. Beef cattle income (average of 16 cows per farm) was 10 percent higher thanks to slightly better prices. But there were decreases in sales of other small grains and flax.

Farm expenses, up about 8 percent last year, were more than the increased crop output could absorb. And net income, \$7,489, was down about 3 percent though above the 1957-59 average.

The wheat-corn-livestock farm. The median-sized farm of this type was 580 acres in 1967. These are general crop and livestock farms, where beef is produced on grass and finished on corn. Farms of this type also have hogs and dairy animals.

Livestock and livestock products represented over half the income on these farms in 1967.

Yields per acre of all crops were up 16 percent, despite lower corn yields, from the previous year. Wheat, barley, and rye yields were at record levels.

Cattle numbers on wheat-corn-livestock farms at the close of 1967 were at a record high of 78 per farm with net production in 1967 up about 3 percent from 1966. Income from cattle increased only 2 percent, however, due to lower beef prices.

Increased crop output helped bring net farm income up 10 percent, to \$12,887.

Southern Plains

The winter wheat farm. The median farm in this category averaged 850 acres in 1967, with about three-fourths cropland. Wheat comprised about 70 percent of the harvested acres. Sorghum for grain and forage was the second most important crop. Hay averaged around 10 percent of harvested acres and an occasional field of barley or corn was also harvested.

Thirteen percent more harvested wheat acres were reported in 1967 than in the previous year. The acres of harvested grain sorghum were also larger than in 1966.

Number of cattle on winter wheat farms rose 1 percent; 2-year-old beef cows were at a record high of 32 head per farm.

Stepped-up cattle output and more acres in wheat and grain sorghum pushed net farm production up about 17 percent. This helped overcome higher costs, but average net farm income, \$10,695, though higher than 1957-59, was down slightly from 1966.

The wheat-grain sorghum farm. The median-size farm of this type was estimated at 929 acres in 1967. About one-fourth of the land is nontillable grazing land. And since 1957, between 40 and 50 percent of farm area has been in summer fallow, in Government programs, or has been idled by crop failure.

Cattle had reached a record level of 84 head per farm on January 1, 1966, but they dropped to 69 per farm a year later. This and lower prices reduced income from beef 17 percent in 1967.

Wheat yields on wheat-grain sorghum farms in 1967, at 28 bushels an acre, were considerably above average. Grain sorghum yielded 59 bushels per acre partly because much of it is irrigated.

Wheat-grain sorghum farmers in 1967 had net farm incomes averaging \$15,330, up 22 percent from 1966 and 124 percent higher than in 1957-59.

Economic Research Service

WHEAT PROGRAM AIMS FOR ACREAGE LIKE 1966

To help strengthen farmers' wheat prices, reduce carryover by about 100 million bushels, and maintain exports at the 750-million-bushel level successfully attained in the past marketing year. . . . These are the goals of the 1969 wheat and acreage allotment program.

The wheat program will feature an allotment of 51.6 million acres, 13 percent below this past year.

The new allotment is designed to reduce wheat acreage to its 1966 level. Diversion payments will be offered farmers at the top rate allowed for planting less than their allotted acreage and for diverting this land to conservation uses.

Price support loans on the 1969 crop will continue available at the national average of \$1.25 per bushel. Price support on the domestic portion of the crop will be equal to 100 percent of parity (per July 1, 1969). The domestic portion will be 43 percent of the cooperating farm's projected production of its allotted acreage. Last season it was 40 percent. Domestic certificates will make up the difference between parity and loan rate.

Secretary Freeman suggested that the 1969 allotment with normal yields should bring total production to about 1.3 billion bushels, some 250 million less than expected from this year's crop. This, he said, could lead to a sizable

reduction in carryover stocks by mid-1970.

Features of the 1969 program will be much the same as those for 1966. Farmers signing up also qualify for alternative cropping options. Signing up for both wheat and feed grain programs, the farmer has a choice. He can substitute between wheat and feed grain acres. Or he can overplant his wheat allotment by one-half, storing under bond wheat from the excess acres.

Barley again will be excluded from the feed grain program in 1969. Barley supplies are neither excessive nor expected to become so.

On request, a farmer with a history of producing barley, oats, and rye in 1959-60 will again be able to substitute wheat for those crops. But this will be done under conditions somewhat different from 1967-68.

With allotment reduced to the 1966 level and acreage diverted as required under the wheat program, the farmer will have to divert a comparable share of the barley, oats, and rye base acreage as a condition of substitution in 1969, as in the 1966 program. The diversion required for barley, oats and rye will be 15 percent of the base—a bit less than was needed in 1966.

Farmers signing up as cooperators in the 1969 wheat program must remain within their wheat allotments on any farms in which they hold interest.

HOW THEY USE YOUR FARM RESEARCH TAX MONEY

From plan to progress in agriculture often seems just a matter of time. But it takes money and manpower, too.

Take agricultural research, for example. When it comes to shouldering the responsibility for funding it, the public through tax dollars has assumed a sizable portion. In 1965, for example, \$360 million went into agricultural research in USDA and State experiment stations—nearly half the spending on all agricultural research that year.

By commodity, projects concerning crops and crop products got the most public time devoted to them—over 4,000 man-years, or 41 percent.

Natural resources, and animals and

animal products, each took about 2,200 scientist man-years, for a total of 43 percent. Other topics consumed the remaining 16 percent of the man-years.

By activity, one-third of the scientist man-years went toward production research, over one-fourth to protective measures, and 13 and 12 percent to conservation and processing.

Research on marketing occupied 9 percent of the scientist man-years. Investigations into human resource problems and human nutrition and consumer satisfaction received a total of 5 percent of the scientists' time.

Cooperative State Research Service



Based on Information Available August 1, 1968

RECORD CROP, RECORD CARRYOVER

We have never had a soybean carryover like the one forecast for September 1, when the current marketing year will end. Totalling 160 million bushels, mostly under CCC loan, this carryover would be sharply above the 90 million bushels on hand last year, the previous high.

Based on planted acreage and average yields, the 1968 estimated crop and carryover together would give a supply of around 1.2 billion bushels for 1968-69, an eighth larger than in the year just ending.

DAIRY DECLINE CURTAILED?

The dip in milk production of the past 3 years may be slowing, as better milk yields offset lower cow numbers.

U.S. milk output has been lower than the year before during virtually all months of the last 3 years, as well as the first half of this year.

But increased gains in output per cow may be in store. Rising only 1 percent from a year earlier during each of the first 4 months of 1968, the rate rose to about 2 percent in June and is expected to increase more in the second half. In June, grain and concentrate feeding was up sharply, and pastures were in excellent condition.

With each cow producing more than ever before, total milk production may rise above last year's levels for the second half of 1968. And if it does, dairymen can expect an even healthier gain in cash receipts than the 2 percent increase experienced in January-June.

FARM INCOMES IMPROVING

Cash receipts from farm marketings during January-June 1968 were estimated at \$18.5 billion, up about \$300 million from a year earlier. Prices received for farm products averaged 2.5 percent higher; volume of marketings estimated near 1967's first half. For year's total prices are expected higher, volume larger.

SKIM MILK SALES ARE SOARING

People are obviously taking a second look at low-fat milk. Sales of low-fat and skim milk are perking up things around the dairy cooler—at a time when whole milk sales are slipping.

Compared with the average butterfat content of 3.52 percent for whole milk last year, low-fat milk, solids added, tested 2.01 percent and plain skim milk 0.68 percent.

Here is how sales and prices of whole and low-fat beverages are changing:

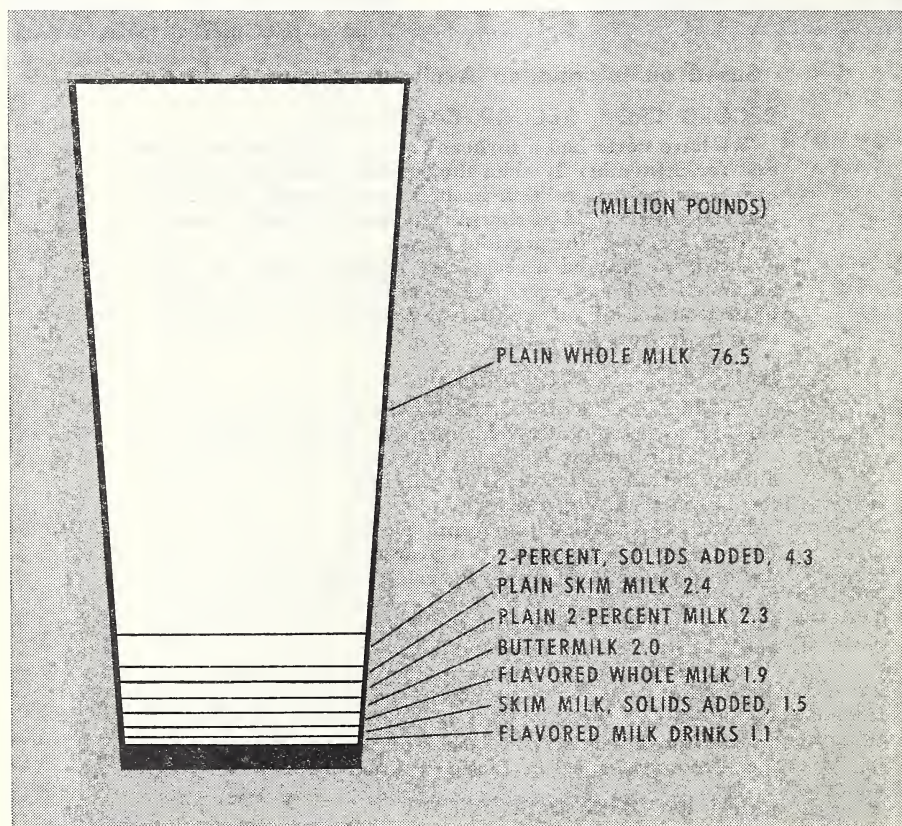
Whole milk. Sales of whole milk in 67 Federal and 9 State markets fell by

almost 3 percent last year from 1966. And, for the first third of 1968, sales were still down, by about 1 percent under last year's levels.

Milk prices are higher. The average price per hundredweight paid by dealers for milk used in fluid products in 170 markets was \$6.33 each month from January through April; \$6.50 in May and June. Compared with the same months of last year, these averages looked pretty good—18 to 39 cents higher.

What goes up on the farm usually

EIGHT WAYS TO HAVE A GLASS OF MILK



Last year, milk drinkers in 66 Federal and 9 State markets consumed an average of 92 million pounds of milk per day from retail outlets.

But their glass of fresh milk as-

sumed one of 8 forms, from chocolate skim to buttermilk. Here is the breakdown on the sales of the 92 million pounds in these markets, as reported by SRS.

goes up on the shelf. For a half-gallon carton of the most common grade of whole milk, at 25 urban markets during January-June, shoppers paid 1-2 cents more at stores than in the same months of last year.

Low-fat and skim milk. These products are still the juniors of whole milk in all markets. Sales of these drinks, in plain and flavored forms, equaled about 15 percent of whole milk and flavored whole milk sales last year in 66 Federal and 9 State markets.

Yet, ever since early 1966, sales of the low-fat and skim milk have been buoyant, rising 10 percent or more above year-earlier levels. During the first third of 1968, monthly sales were up 16 percent from 1967.

What put the wind in these sales? Price undoubtedly played its part, but pricing is widely variable.

In 20 cities where the Statistical Reporting Service recorded the price of low-fat milk sold at stores, prices were commonly 1-5 cents below whole milk during the first part of July.

Skim milk price differences were also more variable. In 15 reporting markets they were most frequently 5-6 cents below whole milk.

One thing is sure, however. Whether the customer pays more or less for his low-fat drink, the processor uses the fat held out of the drink for other profitable purposes.

A boost to the competitive position of low-fat and skim milk also comes from dairymen. Their promotional efforts in recent years have especially stressed the advantage of these drinks for weight-watchers.

Statistical Reporting Service

FARMERS POUR IT ON

Sacks are the oldest but still most popular packages for farm fertilizer. In the year ended June 30, 1967, almost 15.5 million tons of dry bagged fertilizer were used on farms. This represented 44 percent of total use that year.

Following sacks, no package at all was preferred—use of dry bulk fertilizers totaled 12.2 million tons, 1 of every 3 pounds applied.

Statistical Reporting Service

HOGS AND PIGS

The June 1 inventory of hogs and pigs on farms showed little change from last year, but revealed a higher percentage of hogs in the heavyweight ranges, according to the Crop Reporting Board.

The inventory of 59.0 million head was only 1 percent smaller than on June 1, 1967. In the 10 Corn Belt States, which account for over three-fourths of the hogs and pigs, numbers were also down 1 percent, although individual States showed larger changes.

In Iowa, which raises nearly one-fourth of all the hogs, the inventory was 4 percent lower. And several other States recorded decreases: Indiana, 4 percent; Illinois, 3 percent; Wisconsin, 2 percent; and Ohio, 1 percent.

On the other hand, there were increases in Nebraska and Kansas, 7 percent; South Dakota, 6 percent; Minnesota, 3 percent; and Missouri, 2 percent.

Hogs kept for breeding accounted for 8.9 million head of the national inventory, 1 percent off June 1967.

Among hogs and pigs destined for slaughter, there were more weighing over 120 pounds, and fewer which weighed less, compared with a year earlier. Here is how they sorted out by weight, and how each group changed from 1967:

Weight group	1,000 head	Percent change from 1967
Under 60 pounds.....	25,373	-3
60-119 pounds.....	11,608	-2
120-179 pounds.....	7,616	+3
180-219 pounds.....	4,095	+8
220 pounds and up.....	1,425	+11

The Crop Reporting Board also issued tentative figures on the 1968 pig crop. Based mainly on farmers' intentions for the rest of the year, the pig crop will total slightly over last year's 91.5 million head.

The crop was a little smaller than in 1967 for the months of December-May, but may be a little larger during June-November.

The December-May crop was 1 percent below the 48.2 million head of 1967.

Statistical Reporting Service

French, Italian, Russian, Salad, Mayo, Thousand Island, Oil and Vinegar, Bleu

The trend to salads and low-calorie fare has meant more use of food fats and oils. That sounds contradictory—until you remember salad dressing.

The mania for salads has fueled the boom in dressing. In 1940, consumption of all types of manufactured salad dressing was 2.6 pints per person. By 1966, it was up to 7.4 pints.

That much salad dressing takes about 2 pounds of crude vegetable oil for each person in the United States. And that, in short, makes salad dressing a formidable outlet for oilseed products.

During 1966, in fact, manufactured dressings accounted for 12 percent of the domestic production of soybean oil, 10 percent of the cottonseed oil, and 2 percent of the corn oil.

The soybean oil used in salad dressings was valued at \$83 million, the cottonseed oil at \$22 million, and all other oils at \$14 million.

With a tripling of topping production

since 1946, salad dressing manufacture has become an industry in its own right. In 1966, wholesale sales were \$335 million.

Companies making salad dressings are about as numerous as the different types of dressing. Although 22 companies each sell over \$2 million worth of dressing annually, accounting for most of the volume, there are over 175 manufacturers. And, in 1964, there were an astounding 3,779 brands of dressings.

So all in all, the making of something to go with salads seems solidly established in our galaxy of foods. And this means that farmers can be assured of at least one steady oilseed outlet.

Total production, the changing shares of vegetable oils used, and the farm-retail price spread are all important factors affecting this market outlet for farm products. Here is how these salad dressing dimensions appeared in 1966, according to a study by the Economic Research Service:

DRESSING DISTINCTIONS Cooked dressings boil down to three basic types which differ mainly by minimum oil content.

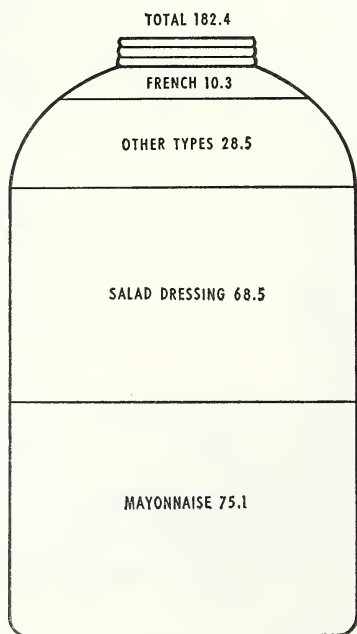
Salad dressing is made from edible vegetable oils, acidifiers, egg yolk, spices, and starch. It must contain at least 30 percent vegetable oil by weight to be called salad dressing.

Production of salad dressing has risen steadily, increasing almost 200 percent between 1945 and 1966. Salad dressing's costlier version, mayonnaise, has become even more popular, to judge by production figures. Mayonnaise contains at least 65 percent vegetable oil.

In 1945, dressing makers produced almost twice as much salad dressing as mayonnaise. But in 1966, mayonnaise accounted for 41 percent of all dressings manufactured, 3 percent more than its rival.

Production of french dressing, at least 35 percent oil, has increased more than fourfold. But it accounted for only 5.6 percent of the 1966 total.

And then come the others, comprising over 15 percent of production. The ingredients vary and the flavors range from oil and vinegar to bleu cheese.



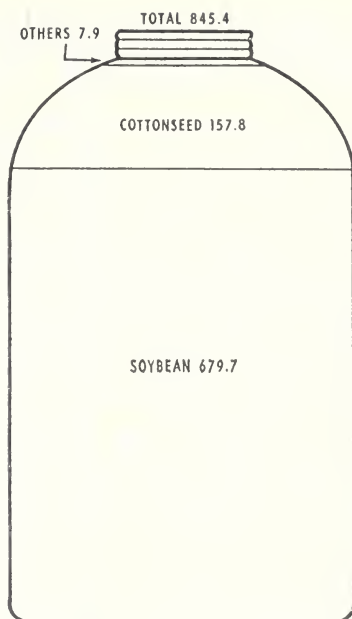
PRODUCTION OF
SALAD DRESSINGS
1966 (MILLION GALLONS)

OIL OUTLETS Pick up any type of salad dressing at the store, and it's a good bet you're holding soybean oil. That's because the use of soybean oil in salad dressing has increased from 14 percent in 1943 to 80 percent in 1966.

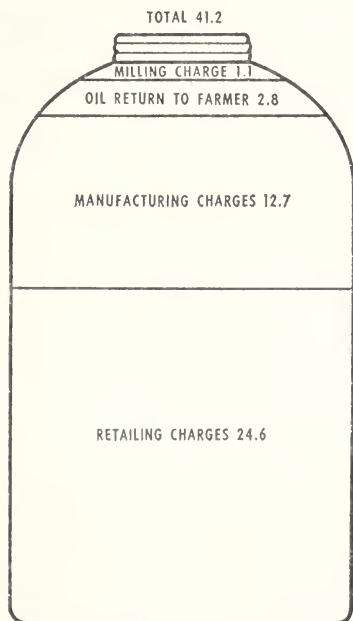
It has outstripped cottonseed oil, corn oil, and other types. The cottonseed oil share of the salad dressing market declined from 47 to 19 percent during 1943-66, although the total quantity used nearly doubled in these years.

But meanwhile, the market share of other oils, most notably corn oil, shrunk from 39 to 1 percent and the total quantity used was about one-tenth of its former level. Why soybean oil?

In most years since the early 1950's, when the oil became popular, crude soybean oil has enjoyed a price advantage over other types. In 1966, for example, the crude oil price for a pound of soybean oil was less than 12 cents, compared with 13 cents for cottonseed oil, and over 16 cents for corn oil. The percentage of oil lost in the refining process is the lowest for soybean oil, which increases its competitive advantage.



OILS USED IN
SALAD DRESSINGS,
1966 (MILLION POUNDS)



SALAD DRESSING:
AVERAGE FARM-RETAIL
PRICE SPREAD, 1966 (CENTS)

PRICE SPREAD

About 30 percent of a salad dressing's price is associated with manufacturing, and over half with the retailing process.

That doesn't leave much left over for the farm share, although the farm value of crude oils used in making a pint of salad dressing has ranged widely—from 2.2 to 5.5 cents—during the past 20 years.

Since 1952, the difference between the farm price and oil mill selling price of crude oils in a pint of salad dressing has varied between 0.4 cent and 1.1 cents per pint, depending on current oilseed prices and the different share of each oil used.

The value added between oil mill and finished salad dressing—the costs of other ingredients and the maker's service costs and operating margin—has actually decreased since 1947. Until 1950, it was about 20 cents; it fell to less than 13.5 cents after 1961.

Before 1955, the gap between manufacturer's selling price and the average retail price per pint was about 11 cents. However, it has been rising recently, reaching nearly 25 cents in 1966.

AFTER EATING THIS NON-PROTEIN, CATTLE CREATE THEIR OWN

It's made from air, but it's solid. It's not a feed, but it's fed to cattle. It can take the place of some (but not all) of the proteins in a feedlot ration.

Add up these facts and you have urea, a synthetic nitrogen compound chemically derived from gases.

Used for such diverse things as formulating fertilizers, making cottons crease-resistant, and for moulding into plastic dishes, urea in cattle feed is getting popular.

In the spring of 1966, researchers sampling feedlots operating in 32 cattle feeding States, estimated that 31 percent of the nearly 110,000 feedlots were using some kind of urea mixture in their feeding programs.

Most urea was being fed in lots fattening at least 300 head of cattle. And the larger the feedlot, the more urea was fed. For example, operators feeding 5,000 or more head used it for up to 83 percent of their cattle.

An estimated 164,000 tons of urea were fed to cattle in 1966. In essence, this was equal to more than three-quarters of a million tons of soybean or other high-protein feeds. And twice as much urea would have been fed if the feeders using it had done so at a practical maximum rate of 25 percent of the protein share in rations.

A little urea replaces a bigger amount of regular high-protein feed because only 1 pound of urea is mixed with, say, 6 pounds of carbohydrates such as corn to take the place of 7 pounds of oilseed meal—and at much less cost.

A ton of soybean meal cost about \$87 in October 1966, while a ton of packaged corn-urea mix cost only \$59. But if urea is such a fine protein source and the corn-urea mixture such a good buy, why not substitute it for all the more expensive protein in a ration?

Here's the reason. Urea is not a feed, and animals can't digest it. But bacteria in a ruminant stomach, with the help of added carbohydrates, can convert urea into digestible protein. When this protein proceeds on to the lower stomach, ruminants such as cattle and sheep digest it.

The limiting factor is the number of bacteria needed to convert the urea into protein, and only so many can crowd into a cow's rumen.

Unfortunately, any urea unconverted by bacteria will itself break down chemically. And the nitrogen thus released in the animal can be harmful. So, take care when feeding urea.

When urea was first used as part of cattle rations some years back, the maximum recommended urea content was 3 percent. Today, thanks to researchers and feeders proving that higher levels can be fed, it is nearer 25 percent of the high-protein portion of the ration.

Since 1964 an obstacle to the feeding of richer grades of urea has been overcome. When urea use began in rations, only one form, consisting of 42 percent nitrogen, was considered "feed grade". The higher nitrogen grades, because they caked, could not be used for feeding, but were all right for fertilizer and industrial uses.

Polyethylene packaging for urea, introduced about 4 years ago, keeps the higher nitrogen grades from caking. Thus, urea can be more uniformly distributed in feed mixtures, allowing safe use of the more concentrated grades.

For the first quarter of 1966, according to the study, more than half the urea sold for feeding was classified as 45 percent nitrogen content and only a third was sold as "feed grade", 42 percent. The rest of the urea for feeding was classified as 46 percent.

Regionally in 1966, urea was fed in some feedlots everywhere. Data were incomplete for the Delta Region, where only one State was covered. In 5 of the other 9 regions, 45 percent protein-yielding urea for feed far outsold the other grades. In the Pacific region, where urea purchases for cattle feeding were highest, at 3.6 million pounds, more than half the feedlot operators bought the 42 percent "feed grade" urea. The 46 percent grade was least popular nationally at the time of study; the Pacific Region accounted for the largest share.



SAM STAT SAYS

"Check My Data"

A brief roundup

AUGUST 1968

■ For canning and such: The Crop Reporting Board notes an unusually large acreage this year planted to vegetables for processing—2,031,590 acres. This is 23 percent more than average. Largest increases are for beets and tomatoes; largest decrease for spinach. ■ For Cloth: Cotton acreage is also up. The estimated 11,051,000 acres are 17 percent more than last year, but not up to the 1962–66 average of 14 million acres. ■ For feeding cattle: You need a lot. And there are many in 32 cattle-feeding States—2,008 with an over-1000 head capacity and 209,505 smaller lots in 1967. ■ For the table: Production of summer vegetables except melons is 4 percent larger than last year, at 44 million hundredweight. The melon crop, 28.3 million hundredweight, is also 4 percent larger. ■ For forage: Tall fescue is popular—Southern producers will be harvesting almost 43 million pounds of the seed this year, 10 percent more than in 1967. Yield is up 12 pounds per acre, to 220 pounds.

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THEY BACK YOUR FARM AND FAMILY

Life insurance companies use income from premiums to supply farmers with real estate loans. Last year, 19 companies made new loans of this type worth \$716 million, representing most of that industry's farm loans, but 15 percent less money than in 1966.

The average farm mortgage acquired by the 19 companies amounted to over \$51,000, compared with about \$44,000 in 1966.

Interest rose about ½ of

a percent to an average of 6.74 percent for the year.

This year, interest is even higher on insurance company loan commitments to farmers; it averaged 7.06 percent in the first quarter.

The Federal Land Banks and the Farmers Home Administration also loan a considerable volume of money.

Federal land bank lending totaled \$998 million in 1967, compared with \$1,012 million the year before.

Farmers Home Administration direct loans for farm ownership and rural

housing in 1967 decreased 51 percent, to \$15.3 billion. But the total value of such loans insured by FHA increased approximately fifty percent, to nearly \$2 billion.

New farm mortgage money obtained from all 3 lenders, in the second half of 1967 was about 30 percent higher than during the last half of 1966. The increased volume continued in the first quarter of 1968. Loans totaled 10 percent higher than in the preceding quarter and 20 percent higher than the first quarter of 1967.

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